Domestic Market Highlights:

Rice procurement by Food Corporation of India (FCI) and state government-owned agencies in the kharif marketing season 2015-16 has procured 12.22 million tonnes which is up by 25% (9.7 million tonnes in 2014-15) from last year. As per the latest data, out of the total rice equivalent of paddy procurement in Punjab, the agencies have purchased 8.3 mt of rice from the farmers till now against 7.5 mt of rice was purchased during the same period last year. The rice procurement in states like Chhattisgarh, Odisha, West Bengal and Assam would commence at the end of next month.

Rice prices are expected to move up in coming months as stock is depleting and kharif production prospects too look not so sound. As of now prices are ruling lower. However emerging scenario points towards firmness, Kharif rice production is estimated at 90.61 million tonnes in 2015-16 crop years. As major growing states are facing deficit rainfall, estimated production is unlikely to turn into a reality now.

Besides, higher export volume and supply for PDS (Public Distribution System) and other welfare schemes will continue to weigh on availability in the open market. All these developments may lend support to cash market fundamentals.

Wholesale Prices for India as an average for first week of November traded slightly firm by 0.46% and are currently hovering at Rs.2670-2675/quintal. We expect non-basmati rice market to move range bound in coming week. Sluggish trading activities are being expected due to continuous holidays this week. Fresh trade may be expected from next week. No major developments in bench mark markets have been reported.

Aromatic rice monthly average prices in the first week of November were registered at Rs.3700/quintal (1121 Sela) and Rs.4800/quintal (Steam). We expect price of 1121 varieties to move range bound in coming week.

Despite ban imposed by Iran on aromatic rice import Indian basmati rice continued to enter into Iran Market through UAE. Notably, world powers had agreed to lift sanctions on Iran four months ago and after this Dubai has emerged the new stopover for India's basmati rice exports to Iran. According to market experts Indian aromatic rice export volume has suddenly increased from Ave of 15000 T to Around 80,000 T now. Normalcy in trading conditions has given Indian basmati rice exporters the opportunity to use ports in Dubai to ship basmati rice to Iran.

Government procurement of MY 2015/16 rice under the minimum support price is significantly ahead of last year due to the timely harvest of rice unlike last year where harvest was delayed by about two weeks due to October rains. Government procurement through October 25, 2015, is estimated at 6.54 MMT compared to 5.05 MMT during the corresponding period of MY 2014/15. Most of the procurement is currently limited to the northern states, but will gradually spread to other parts of the country from November onwards as harvest progresses. Based on the production and procurement estimates suggested by various states, the government has set the MY 2015/16 kharif rice procurement target of 30 MMT compared to MY 2014/15 kharif rice procurement of 25.3 MMT (target 30.1 MMT).

As per Agriwatch second preliminary estimates after final Kharif sowing ,Indian rice production (including rabi) is expected to down by 4-5% from last year production of 104.5 million tonnes to 99-100 million tonnes in KMS 2015-16 due to lower area and lower rainfall in major growing states. Average rice price is likely to trade steady even with harvesting season starts, due to lower production estimates and lower carryover stock.

Price Outlook:-Average Rice price in all India is likely to reel under pressure with beginning of new arrival.

International Market Highlight:

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for November 2-8, 2015 totaled 49,877 metric tons, down 47,941 metric tons from the previous week, and down 31,621 metric tons from the four-week moving average of 81,498 metric tons. Rice exports (excluding premium white and fragrant rice) from January 1 – November 8, 2015, totaled 3,732,422 metric tons, down 18 percent from the same period last year. Total Thai rice exports from January to September 2015 totaled 6.6 million metric tons, down 13 percent from the same period last year.

According to the Guyana Rice Development Board (GRDB), Guyana has exported around 437,448 tons of rice in the first ten months (January - October) of 2015, up about 6% from around 412,228 tons exported during the same period last year.

Rice exporters in Cambodia are not happy with local export policy as they are paying higher tax per container in comparison to Vietnam & Thailand. They pay $50 per container higher for export as tax. Higher port and container cost would derail export target of 1 MMT for the country. A group of Analysts opined that the target would be possible only if the country successfully sort out issues like blocking competitiveness, including high costs related to transportation.

According to the UN's Food and Agriculture Organization (FAO), Pakistan basmati rice export prices have declined for second consecutive month after increasing in August 2015. The decline can be attributed to increasing supplies from the current harvest, lack of export demand as well as surging stocks. Pakistan rice exporters reportedly hold around 500,000 tons of basmati rice from last season. In October 2015, Pakistan's basmati rice export prices have declined by about 23% to around $661 per ton from around $855 per ton in September 2015, and down about 54% from their year-ago levels of around $1,435 per ton. Unlikely, Indian FOB in the month of October moved up from last month and currently is in the range of USD 820-825/MT which is up by around 3.86% from last month price.

Iran may do away with ban on aromatic rice import from Pakistan. However, prevailing condition is not in favor of Pakistan. If ban is lifted Pakistan would not be able to grab opportunity again as the decision will remain ineffective until proper currency transfer arrangements between the two countries are made. Pak Rice association chairman says that an effective and trusted formal banking channel of currency transfer and Good Manufacturing Practices (GMP) Certificates by Iran government for Pakistani exporters can revive rice export from Pakistan. Under current condition India is taking advantage of preferential exchange rate due to availability of official channel against Pakistani exporters.

The IGC forecasts 2015-16 global rice trade at around 42 million tons, unchanged from the previous year's 42 million tons as well as its previous estimate of around 42 million tons. Thailand is projected to be the world's leading exporter in 2016.

Rice Prices in Various Markets:

Nov-17-2015	White Rice 5% Broken	White Rice 25% Broken
Gujarat	2340.25	2245.00
Andhra Pradesh	2320.00	2145.50

In Rs. /Quintal

Rice Prices in Various Markets

Market	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
	(Tonnes)		(Rs./Quintal)	(Rs./Quintal)	(Rs./Quintal)
Andhra Pradesh					
Kandukur	0.1	B P T	3600	3800	3700
Markapur	0.1	B P T	3900	4000	3950

Nandyal	0.1	Sona Fine	4250	4350	4300
Narasaraopet	0.1	B P T	3900	4100	4000
Ongole	0.1	B P T	3700	4200	3900
Visakhapatnam	0.1	B P T	3600	3800	3700
Assam					
Dhing	87	Common	1700	2000	1800
		Fine	3500	4000	3650
Goalpara	48.5	Fine	3000	3800	3200
Karimganj	20	Common	2200	2300	2250
Lanka	50	Common	1700	1750	1725
P.O. Uparhali Guwahati	61	Common	1800	2400	2100
		Fine	2100	3500	2800
		Super Fine	3400	14000	8700
Gujarat					
Jambusar	5.3	Other	2750	4000	3500
Jambusar(Kaavi)	NR	Other	2750	4000	3500
Jharkhand					
Daltenganj	NR	Other	2280	2400	2380
Godda	NR	Medium	2200	2600	2400
		Other	1800	2100	2000
Latehar	NR	Boiled Rice	1850	2000	1900
		Fine	3000	3200	3100
		Medium	2500	2700	2600
Saraikela	NR	Medium	2410	2600	2570
		Other	1860	2000	1980
Karnataka					
Bangalore	3111	Medium	4000	4300	4100
Doddaballa Pur	120	Broken Rice	1350	1450	1400
Kolar	11	Fine	2800	5500	4600
Kerala					
Mannar	10	IR-8	2900	3100	3000
		Jaya	4500	4700	4600
		Other	6000	6200	6100
Maharashtra					
Mangaon	1	Other	1800	3500	2800
Manipur					
Imphal	8.3	Other	NR	2900	2900
Lamlong Bazaar	1.2	Other	NR	2900	2900
Orissa					
Bonai	0.5	Other	2200	2200	2200
Jeypore	12.1	Common	300	330	325

Jeypore(Kotpad)	1.3	Common	3000	3300	3250
Karanjia	5.5	Common	2800	3000	2900
		Other	2500	2800	2600
Udala	38	Other	1700	4400	2800
Punjab					
Malout	430	Other	1621	2145	1950
Muktsar	10	Basmati Paddy	4000	6000	5000
Uttar Pradesh					
Achalda	60	III	NR	NR	2260
Basti	210	III	2000	2150	2070
Bijnaur	4	III	NR	NR	1600
Bindki	45	Other	NR	NR	2315
Dadri	60	III	NR	NR	2050
Firozabad	22	III	NR	NR	2010
Gazipur	31	III	2005	2045	2025
Jasra	16	III	NR	NR	2055
Jaunpur	50	Coarse	1950	2050	1990
Lakhimpur	12	Other	2000	2150	2090
Mainpuri	65	Coarse	NR	NR	1980
Mirzapur	6	Other	1960	2040	1990
Muradabad	14	III	NR	NR	2225
Naugarh	15	III	2000	2055	2035
Partaval	30	III	2000	2055	2030
Pilibhit	1000	Coarse	2170	2210	2190
Saharanpur	150	III	NR	NR	2000
Sardhana	1.2	III	NR	NR	2065
Siyana	2.5	III	NR	NR	2045
Tilhar	96.2	Other	2090	2190	2140
Yusufpur	15	III	1930	1990	1965
Uttrakhand					
Gadarpur	4278	Other	1410	1450	1430
West Bengal					
Balarampur	1.9	Other	2130	2150	2140
Bolpur	200	Fine	2050	2150	2100
		Other	1800	1900	1850
Chakdah	27.5	Other	2950	2950	2950
Champadanga	16	Ratnachudi (718 5-749)	2450	2550	2500
Islampur	3.8	Other	2100	2200	2150
Kaliaganj	14	Other	2570	2650	2600
Kalipur	102	Other	1950	2050	2000

		Sona Mansoori Non Basmati	1700	1850	1800
Kasipur	0.9	Other	2240	2240	2240
Kolaghat	12	Common	2300	2450	2400
		Fine	2500	2650	2600
Medinipur(West)	12	Other	2270	2280	2280
Purulia	48	Other	2120	2140	2120
Raiganj	16	Other	2650	2740	2700
Ramkrishanpur(Howrah)	18.7	Other	2400	2600	2500
		Sona Mansoori Non Basmati	2000	2200	2100
Samsi	600	Fine	2790	2820	2800
		H.Y.V.	1790	1820	1800
Tamluk (Medinipur E)	12	Common	2300	2450	2400
		Fine	2500	2650	2600

(Arrivals and Prices in Rs/Qtl)